

Short-Term Investments

Diversity

BEFORE the war the investor in short-term securities was limited to a restricted list. United States Government Bonds were of long maturity and carried low interest rates. Foreign Governments were not borrowing in this market at all. A few railroad and industrial notes were about all the investor had to choose from.

Today, the richness and variety of the short-term investment market presents a striking

contrast to those earlier conditions. United States Treasury Certificates, Victory Notes, foreign Government obligations, and a long list of railroad, industrial and public utility issues present, when properly selected, the opportunity to obtain security of principal with diversity of investment.

We shall be glad to submit lists of issues and prices, which will convey an idea of how widely short-term investments may be diversified.

DISCOUNT HOUSE
OF
SALOMON BROS. & HUTZLER
MEMBERS NEW YORK STOCK EXCHANGE
27 PINE STREET
NEW YORK
TELEPHONE—BOWLING GREEN 3050
BOSTON PHILADELPHIA CHICAGO

\$966,000

New York Central System

Kanawha & Michigan Railway Company
Equipment Trust 6% Gold Notes

Dated January 15, 1920

Originally issued, \$1,023,000

Maturing \$69,000 annually January 15, 1922 to 1935 inclusive

Interest payable January and July 15th. Coupon Bonds, denomination \$1,000; may be registered as to principal. Redeemable as a whole but not in part at 103 and accrued interest on any interest date upon sixty days' notice.

Guaranty Trust Company of New York, Trustee

Issued under an Equipment Trust Agreement between the Director General of Railroads; the Kanawha & Michigan Railway Company and the Trustee, and secured on standard equipment consisting of 500 fifty-five-ton Hopper Cars and 3 Locomotives.

The Notes were issued for an amount equivalent to 75 per cent. of the purchase price of the equipment, the remaining 25 per cent. having been paid in cash. Including the instalment of January 15, 1922, there will have been paid an amount equivalent to 40 per cent. of the cost of the equipment. Title remains in the Trustee until both principal and interest shall have been paid in full.

During the past ten years (1921 partly estimated) the net revenue of the company has averaged three times the amount of all fixed charges. Dividends of not less than 5% per annum have been paid during this period.

We offer, subject to prior sale:

Maturities of January 15, 1923 and 1924, to yield 5.60%
" " " 15, 1925 to 1932, " " 5.85%
" " " 15, 1933 to 1935, " " 5.80%

ROBINSON & Co.

Members New York Stock Exchange

26 Exchange Place, New York

The above statements, while not guaranteed, are based on official information which we believe to be correct.

CURRENCY REFORM IS URGED BY HOOVER

Action by All Nations Needed
—Sees No Hope With Unstable Germany.

WASHINGTON, Dec. 7.—Action by the banks of issue of the principal countries of the world looking toward currency reform has been suggested by Secretary Hoover, according to the monthly bulletin issued to-night by the Federal Reserve Board, which contains a letter from him to Sir Drummond Fraser of England, referring to the Termeulen plan.

Economic recovery of the States in eastern and southwestern Europe, the letter said, and a considerable portion of American and world commerce, was dependent upon each State erecting a balance in taxation and expenditure, currency reorganization and stabilization, wise control of exports and imports and credits for reproductive purposes.

"It is hopeless," Mr. Hoover said, "to expect that private capital will extend credits for export upon any systematic basis until the first three points have been complied with."

The Termeulen plan, he declared, should act as a gross check to secure the three primary reforms. "I have the feeling, however," he added, "that something more is needed than export credits to those countries. If the three primary reforms are to be accomplished, i. e., some assistance must be found to these States in credit for purposes of currency reform."

"I believe also that until there can be brought about some financial stabilization in Germany all other European States will be adversely affected despite every effort implied in any of these ideas."

PIG IRON IS SCARCE, FURNACES BLOWN IN Plans for Four Steel Mergers Are On.

Rapid reduction of the country's stocks of pig iron and an early hurried blowing in of some blast furnaces have resulted in the expansion the industry has experienced in the last several weeks. November's pig iron production, according to the Iron Age, was 1,115,481 tons, or 47,183 tons a day, compared with 1,246,674 tons, or 48,249 tons a day in October. Twenty-four additional furnaces were blown in in November, while none went out. The active capacity December 1 was 51,665 tons a day for 120 furnaces, against 40,850 tons for 96 furnaces on November 1.

"Except for the demand from the railroads, car builders and shops doing tank work," the Iron Age goes on, "the market is waiting for the impetus of January or possibly February. The steel corporation is still running at something above 10 per cent. Tin plate mills are particularly busy and their winter operations will be on a larger scale than in several years. Recently the leading producer took orders for 500,000 boxes for the Pacific coast, in view of which the 150,000 boxes the Welsh mills got at Vancouver scarcely indicate the recapture of the coast market by the British."

The Iron Trade Review says: "Reports of various proposals to merge iron and steel properties now rampant in the industry are accepted as a logical outcome of the market and the competitive conditions that have prevailed for the last year or more. Apparently the only means of escape from a definite period of profitless operation is open to some companies in this way. The localizing influence of excessive freight rates is one factor forcing serious consideration to possibilities of national distribution through scattering works. No less than three other negotiations toward consolidation of plants are under way."

The Iron Trade Review's weekly composite index of fourteen iron and steel products this week is \$34.29, as against \$34.71 all November, \$35.46 all October and \$23.29 in December, 1921.

ST. PAUL TO MEET ALL OBLIGATIONS SOON DUE

Hopes for Renewal of \$25-
345,000 Loan by U. S.

All the maturities and interest requirements of the Chicago, Milwaukee and St. Paul Railway up to and including February 1, 1922, have been provided for, R. J. Marony, vice-president in charge of the company's New York office, said yesterday. These requirements, he said, included \$3,750,000 in interest, due January 1; \$1,550,000, principal and interest on Government equipment trust obligations, due January 15; and \$875,000 interest, due February 1.

Mr. Marony said arrangements have been completed to pay off on December 15, one month before maturity, \$1,000,000, the principal on the aforementioned Government equipment obligations.

Mr. Marony expressed confidence that the Interstate Commerce Commission will authorize the renewal of the St. Paul's Government loan of \$25,345,000, which does not fall due until March 1, 1922.

PERE MARQUETTE'S FIRST PREFERRED DIVIDEND

10 Per Cent. Ordered Paid by
Railway Company.

The Pere Marquette Railway Company yesterday decided to initiate dividends on its 5 per cent. preferred stock. A disbursement of 10 per cent. in cash on this issue was authorized, payable January 3. At the same time its directors ordered that the regular quarterly dividend of 1 1/2 per cent. on the prior preference stock be paid February 1. At the close of the meeting the company authorized a statement, which said in part:

"The 10 per cent. dividend on the preferred stock is the first dividend declared upon that stock since the organization of the railway company in 1917. The dividends upon the preferred stock are cumulative at the rate of 5 per cent. per annum from January 1, 1919, so that on December 31, 1921, there will have accrued dividends to the amount of 15 per cent. of which there will remain 5 per cent. after payment of the above dividend.

"The company's claim against the Government has recently been settled."

WOULD DROP FIVE LINES.

Special Despatch to THE NEW YORK HERALD. LANSING, Dec. 7.—Petitions of the Pere Marquette asking that it be allowed to abandon five small branch lines in Michigan will be considered January 15 by the State Public Utilities Commission, sitting as a State body and as a representative of the Interstate Commerce Commission, it was announced to-day. The lines to be considered are from White Cloud to Big Rapids, Freeport to Elm Dale, Leota to Harrison and Lonia to Lyons.

EARNINGS OF ROADS IN OCTOBER 5.4 P. C.

Best Month Since U. S. Gave
Up Control—Strike Fear
Swelled Loadings.

Reports of the earnings of the railroads for October, just filed with the Interstate Commerce Commission, show an aggregate net operating income of \$105,186,283, after operating expenses, taxes and joint facility rents, but before the deduction of the month's proportion of interest on bonded indebtedness. This represents a return at the rate of 5.4 per cent. annually on the country's aggregate railway property investment, and is the nearest approach the carriers have made to earning the 6 per cent. annual return contemplated in the transportation act. It makes October the best month in point of net railway operating income since the cessation of Government control on March 1, 1920.

The following summary for October, compiled by the Bureau of Railway Economics, is based on the reports of 156 railroads, operating 234,535 miles of line, and includes all class 1 railroads except the Detroit, Toledo and Iron River and the Kansas City Terminal companies:

	Oct., 1921	Oct., 1920	P. C. of
Gross operating revenue	\$255,135,126	\$241,666,322	16.6
Exp. for operation of road and equip.	184,460,000	220,020,680	20.1
Total operating exp.	237,114,777	238,383,721	24.6
Net oper. inc.	105,186,283	80,392,373	21.8
Rate earned annual basis	5.4%	4.6%	

In an official statement yesterday the Association of Railway Executives said in part:

"October is normally the heaviest traffic month of the year and should show the best net operating income. However, due to the threat of a railroad strike at the end of October the traffic for the second half of the month was far beyond normal. The average peak of traffic each year comes about October 10, and the week ended October 15 should show the largest car loadings of the year. This October, however, the largest car loadings were shown in the week ended October 22 and the week ended October 29. Immediately the strike threat was removed, in a single week car loadings fell off more than 122,000 and have since been declining with indications November will hardly be 50 per cent. of that for October. The reduction of maintenance to the lowest standards consistent with safety has continued."

Earnings of the 156 railroads for the ten months ended October 31, 1921, follow:

	1921. (10 mos.)	1920 (10 mos.)	P. C. of
Gross oper. revenue	\$4,671,312,251	\$5,091,396,228	8.1
Main. of way and equip.	1,708,570,458	2,181,562,408	21.7
Total oper. exp.	3,970,320,820	4,801,850,118	17.1
Net oper. inc.	494,696,205	4,289,579	
Rate earned annual basis	8.2%		
Deficit			

Ratio of expenses to operating revenues for October was 74.2 per cent., in contrast to 82 per cent. for October, 1920, while the operating ratio for the ten months period was 85.2 per cent., against 84.5 per cent. for the corresponding period last year.

RESERVE BANKS CHOOSE CLASS D DIRECTORS

All Chairmen and Reserve
Agents Re-elected.

WASHINGTON, Dec. 7.—Election of Class C directors of the twelve Federal Reserve Banks for the term from January 1, 1922, to December 31, 1924, was announced to-day by the Federal Reserve Board.

These directors, who are required by law to be persons not connected with the banks, are: Boston, Allen Hollis, re-elected; New York, Clarence A. Mott, re-elected; Philadelphia, Charles C. Harrison, re-elected; Cleveland, W. W. Knight, re-elected; Richmond, Frederic A. Delano, re-elected; Atlanta, Lindsey Hopkins, re-elected; Chicago, William A. Heath, re-elected; St. Louis, W. McE. Martin, re-elected; Minneapolis, C. C. Clark, re-elected; Kansas City, Herbert Ford, re-elected; Dallas, W. B. Newsome, re-elected, and San Francisco, W. N. Moore. All chairmen and Federal Reserve agents for the twelve banks were re-elected for 1922.

HOLDER ACTS TO HALT BURNS BROS. MERGER

Seeks Injunction, Saying He
Wants \$120 a Share.

Joseph J. Schmidt, a holder of 219 shares of preferred stock of William Farrell & Son, the coal company that it is proposed to merge with the Burns Bros. Company, will begin proceedings in the Supreme Court to-morrow in an effort to prevent the consolidation, it was announced yesterday. William Farrell & Son, Inc., Thomas Farrell, William J. Shea and others are said to have been made defendants in the action. A temporary injunction will be asked for. Mr. Schmidt, it was stated yesterday, voted against the plan at the recent stockholders' meeting when the merger plan was ratified. He contends that he should receive \$120 a share for his preferred stock.

HUERTA NOT COMING HERE.

Abandons Trip—Any Loan Deal
Will Be Long Distance Method.

MEXICO CITY, Dec. 7. (Associated Press).—Adolfo de la Huerta, Secretary of the Treasury, has abandoned his proposed trip to New York, where it was reported he would seek a loan with American bankers, according to authoritative information received to-day.

Yielding to almost unanimous editorial protest against his journey to the United States, he is in Huertay's statement to be in daily cable communication with New York bankers, and if a loan be floated or some other arrangement made in connection with Mexican finances it will be by the long distance method. The services of Manuel Gomez Morin, the Mexican financial agent in New York, would not be employed in connection with such negotiations.

KRESGE STOCK IS INCREASED.

Special Despatch to THE NEW YORK HERALD. DETROIT, Dec. 7.—Stockholders of S. Kresge & Co. voted yesterday to increase the preferred stock from \$2,000,000 to \$5,000,000. The company reported sales for November at \$5,098,229, compared with \$4,551,841 in November last year. Sales for the eleven months totaled \$47,171,883, compared with \$43,421,726 in the same period in 1920.

OIL OUTPUT INCREASES.

The American Petroleum Institute estimates that the daily average gross crude oil production in the United States for the week ended on December 3 was 1,323,310 barrels, in contrast to 1,327,880 in the preceding week, an increase of 4,470.



Can You Afford Any Investment Less Than Safe?

AFTER all, safety is all important. The integrity of his capital must be the investor's first concern. Repayment of principal as well as interest—in full—in cash—on the day due—is vital.

Can you afford any investment that is less than safe?

Is it wise to assume any risk of loss of principal to gain any other investment advantage?

Safety is the most fundamental, most vital principle of the Straus Plan. Straus First Mortgage Bonds, backed by our record of 39 years without loss to any investor, are, beyond question, safe investments. They are in \$1000, \$500 and \$100 denominations. Write today for our current Investment Guide, describing these sound bonds, and ask for

BOOKLET C-740

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THIRTY-NINE YEARS WITHOUT LOSS TO ANY INVESTOR

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New Issue

\$390,000

Westchester County, N. Y.

Hospital 5% Registered Bonds

Dated January 1, 1922

Due serially January 1, 1923 to 1942

Principal and semi-annual interest January 1 and July 1, payable at the office of the County Treasurer, White Plains, N. Y. Registered bonds in \$1,000 denomination.

Tax exempt in New York State

Exempt from the Federal Income Tax

Legal investment for Savings Banks and Trust Funds in New York State and eligible to secure Postal Savings Deposits

Westchester County, with a population of 344,086, is officially reported to have a bonded indebtedness, including this issue, of less than 2% of the assessed valuation of \$655,228,958.

This County adjoins New York City on the north, and extends from Long Island Sound on the east to the Hudson River on the west, covering an area of 484 square miles. It includes the cities of Yonkers, Mount Vernon, White Plains and New Rochelle, and numerous well-known residential villages.

Prices to yield as follows:

1923 - - - to yield 4.40%
1924 to 1926 to yield 4.30%
1927 to 1930 to yield 4.25%
1931 to 1936 to yield 4.20%
1937 to 1942 to yield 4.15%

Complete Circular upon Request

Harris, Forbes & Company

Pine Street, Corner William, New York

State and Municipal Bonds

Exempt from all Federal Income Taxes

	Rate	Due	To Yield
*\$200,000 State of Pennsylvania	4 3/4%	Dec. 1, 1951 (Opt. 1936)	4.10%
59,000 State of Oregon	4 1/4%	Oct. 1, 1925-26	4.50%
* 60,000 City of Bridgeport, Conn.	5%	Dec. 1, 1934-36	4.30%
10,000 City of Detroit, Mich.	5%	Aug. 1, 1944	4.65%
40,000 Minneapolis, Minn. (Reg.)	4 1/4%	May 1, 1941	4.50%
75,000 City of Norfolk, Va.	5%	Aug. 1, 1949	4.75%
100,000 City of Norfolk, Va.	5%	Aug. 1, 1969	4.75%
10,000 Dallas Co., Tex., R. D. No. 1	5 1/2%	April 10, 1931	5.10%
* 236,000 Hudson County, N. J.	6%	July 15, 1925	4.75%
126,000 St. Louis County, Minn.	5%	July 1, 1923-29	4.80%

* TAX EXEMPT IN STATE OF ISSUE

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Well known firm can offer an opportunity for Municipal Salesman who is experienced with institutional selling, or who has a clientele of Municipal buyers.

Salary and commission. Inquiries confidential.

Address "M. W." P. O. Box 822, City Hall Sta., N. Y. C.

CUSTOM HOUSE RECEIPTS.

Receipts for duties at the Custom House yesterday were \$814,768.04, of which \$184,487.38 was for merchandise withdrawn from bonded warehouses and \$430,287.66 for recent importations.

N. Y. CENTRAL ORDERS RAILS.

Closes Contracts for 125,000 Tons

With Option for 25,000 More.

The New York Central Railroad Company has closed contracts for 125,000 tons of steel rails for delivery in 1922, with an option for an additional 25,000 tons. Although allotments of the tonnage to various steel companies was not announced yesterday, the companies who are expected to participate in the fulfillment of the order include the Lackawanna, the Inland and possibly, the Cambria, steel companies.

ASKS STATUS OF EMPLOYEES.

Special Despatch to THE NEW YORK HERALD. DETROIT, Dec. 7.—The Detroit Trust Company as receiver for the Lincoln Motor Company has asked the Federal Court to rule on the status of the latter's employees, to whom pay is due for the period from November 1 to November 9, which antedates the appointment of the receiver.

FINANCIAL NOTES.

The Chicago, Terre Haute and Southwestern Railway Company's depositing income bond holders have been notified by the Trust Company that the railway company would pay its September 1, 1922, coupons 45 and 46 each for 1 1/2 per cent. The depositors waived interest represented by coupons 47 to 49 inclusive in interest of the company's finances, but the company finds it does not need all that amount of interest and expects to have sufficient funds to make partial payment.

A. Y. Cowen & Co. are offering a block of first mortgage 5 per cent. bonds of the Rio de Janeiro Tramway, Light and Power Company, dated 1909 and due in 1935, at 74 1/2 to yield about 8.25 per cent. The bonds are an absolute first mortgage on all properties and rights of the company, which operates tramways, gas, electric light, power and telephone systems in the city and district of Rio de Janeiro.

EXPORTS FROM NEW YORK.

Exports from New York yesterday: Wheat, 172,000 bu.; corn, 39,000 bu.; oats, 79,925 bu.; buckwheat, 7,100 bu.; flour, 26,818 sacks. The dividends upon the preferred stock are cumulative at the rate of 5 per cent. per annum from January 1, 1919, so that on December 31, 1921, there will have accrued dividends to the amount of 15 per cent. of which there will remain 5 per cent. after payment of the above dividend.

UNITED STATES TREASURY STATEMENT.

Special Despatch to THE NEW YORK HERALD.

New York Herald Bureau, Washington, D. C., Dec. 7.

Revenue receipts and expenditures as at close of business December 6.	This month.	Corresponding period last year.	Special period 1921.	Corresponding period fiscal year 1920.
Internal revenue:	\$5,331,323	\$3,184,383	\$128,184,533	\$134,728,754
Customs				
Internal and profits tax	8,653,738	4,121,879	719,006,126	86,106,413
Miscellaneous	28,404,825	15,871,720	821,819,248	683,271,562
Total	37,059,886	20,057,982	1,549,009,807	1,524,006,729
Disbursements:				
Internal revenue	2,108,257	4,044,153	152,884,369	290,401,157
Panama Canal tolls, etc.	229,737	436,191	5,573,828	3,154,005
Total	2,338,000	4,480,344	158,458,197	293,555,162
Excess of ordinary receipts over ordinary disbursements	34,721,886	15,573,638	1,390,551,610	1,230,451,567
Excess of ordinary receipts over ordinary disbursements	34,721,886	15,573,638	1,390,551,610	1,230,451,567
Total ordinary disbursements	2,338,000	4,480,344	1,549,009,807	1,524,006,729

* Receipts and disbursements for June reaching the Treasury in July are included.